GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:523
ANSWERED ON:07.07.2009
ASSISTANCE TO SME
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) the share of Micro, Small & Medium Enterprises (MSME) in the total industrial production of the country during each of the last three years and the current year, State-wise;

(b) the details of financial packages/assistance given to this sector by the Government to enhance their share in the industrial production during the said period, State-wise;

(c) whether the Government has formulated any plan for assisting them financially in near future; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MICRO, SMALL AND MEDIUM ENTERPRISES(SHRI DINSHA PATEL)

(a): The share of the micro and small enterprise (MSE) sector in the total manufacturing output of the country during 2004-05, 2005-06 and 2006-07 (latest available) was estimated to be 38.62%, 38.56% and 38.57% respectively.

Since the medium enterprises were for the first time defined under the Micro, Small and Medium Enterprise Development act, 2006 which came into force from 2nd October, 2006, information in respect of share in the total manufacturing production of the country for medium enterprise sector for this period is not available. State/UT-wise shares in the total manufacturing output are not maintained centrally.

(b): The Government has announced a 'Policy Package for Stepping up Credit to Small and Medium Enterprises (SMEs)' on 10th August 2005 which envisages public sector banks to fix their targets for funding MSMEs in order to achieve a minimum 20 per cent year-on-year growth in credit to the MSME sector. The government has also announced in February, 2007 a 'Package for Promotion of Micro and Small Enterprises' with an objective to provide support in areas of credit, technology upgradation, marketing, infrastructure, etc.

Further, financial assistance is provided to the MSE sector under various schemes implemented by the Ministry of Micro, Small and Medium Enterprises (MSME). The funds are allocated Scheme- wise and not State-wise. A statement showing the year-wise fund allocation for the last 3 years and the current year is as under:

Year	Fund Allocation(Rs. in crore)
2006-07	1436.93
2007-08	1642.00
2008-09	1794.00

(c) & (d): To facilitate the promotion and development of MSEs, the Government is implementing a 'National Manufacturing Competitiveness Programme (NMCP)' and a 'Package for Promotion of Micro and Small Enterprises' with an objective to provide support in areas of credit, technology upgradation, marketing, infrastructure, etc. They contain, inter alia, various measures aimed at making the MSE sector more competitive in the long term. Further, the Government has enacted the Micro, Small and Medium Enterprises Development Act, 2006 which has since come into force from 2nd October, 2006 and provides for the promotion and development of micro, small and medium enterprises.